



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590

AUG 31 2017

REPLY TO THE ATTENTION OF:

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

John Skelley  
Gerdau Ameristeel U.S. Inc.  
1678 Red Rock Road  
St. Paul, Minnesota 55119

Re: Notice of Violation and Finding of Violation  
Gerdau Ameristeel U.S. Inc.  
St. Paul, Minnesota

Dear Mr. Skelley:

The U.S. Environmental Protection Agency is issuing the enclosed Notice of Violation and Finding of Violation (NOV/FOV) to Gerdau Ameristeel (Gerdau or you) under Section 113(a)(1) and (3) of the Clean Air Act, 42 U.S.C. § 7413(a)(1) and (3). We find that you have violated the Minnesota State Implementation Plan and Title V of the Clean Air Act and its implementing regulations at your St. Paul, Minnesota facility.

Section 113 of the Clean Air Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order and bringing a judicial civil or criminal action.

We are offering you an opportunity to confer with us about the violations alleged in the NOV/FOV. The conference will give you an opportunity to present information on the specific findings of violation, any efforts you have taken to comply and the steps you will take to prevent future violations. In addition, in order to make the conference more productive, we encourage you to submit to us information responsive to the NOV/FOV prior to the conference date.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The EPA contact in this matter is Albana Bega. You may call her at (312) 353-4789 to request a conference. You should make the request within 10 calendar days following receipt of this letter. We should hold any conference within 30 calendar days following receipt of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward Nam", with a stylized, flowing script.

Edward Nam  
Director  
Air and Radiation Division

Enclosure

cc: Sarah Kilgriff, Manager, Land and Air Compliance, Minnesota Pollution Control Agency

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5**

**IN THE MATTER OF:**

Gerdau Ameristeel US Inc. – St. Paul Mill  
St. Paul, Minnesota

Proceedings Pursuant to  
Section 113(a)(1) of the  
Clean Air Act, 42 U.S.C.  
§ 7413(a)(1)

**NOTICE AND FINDING OF  
VIOLATION**

**EPA-5-17-MN-06**

**NOTICE OF VIOLATION AND FINDING OF VIOLATION**

The U.S. Environmental Protection Agency (EPA) is issuing this Notice of Violation and Finding of Violation under Section 113(a)(1) and (3) of the Clean Air Act (CAA), 42 U.S.C. § 7413(a)(1) and (3). EPA finds that Gerdau Ameristeel US Inc. – St. Paul Mill (Gerdau) is violating the Minnesota State Implementation Plan (SIP) and provisions of its Title V permit, as follows:

**STATUTORY AND REGULATORY BACKGROUND**

**Minnesota's State Implementation Plan**

1. Section 110 of the CAA, 42 U.S.C. § 7410, requires each state to adopt and submit to EPA a plan that provides for the implementation, maintenance, and enforcement of primary and secondary National Ambient Air Quality Standards in the state. Upon approval by EPA, the plan becomes part of the applicable State Implementation Plan (SIP) for the state.
2. On May 24, 1995, EPA approved Chapters 7007 and 7011 as part of the federally enforceable SIP for Minnesota, with an effective date of July 24, 1995. 60 Fed. Reg. 27411. On May 18, 1999, EPA approved revisions to Chapters 7007 and 7011 as part of the federally enforceable SIP for Minnesota. 64 Fed. Reg. 26880.
3. Minnesota Rule 7007.0800, Subpart 2 states, in part, that “the permit shall include emissions limitations, operational requirements, and other provisions needed to ensure compliance with all applicable requirements at the time of permit issuance.”
4. Minnesota Rule 7007.0800, Subpart 14 states, in part, that “the permit may specify operating and maintenance requirements for each piece of control equipment.”
5. Minnesota Rule 7011.0715, Subpart 1(B) states that “no owner or operator of any industrial process equipment which was not in operation before July 9, 1969, shall cause to be discharged into the atmosphere from the industrial process equipment any gases which exhibit greater than 20 percent (%) opacity.”

### **Title V Requirements**

6. Section 502(a) of the Act, 42 U.S.C. § 7661a(a), provides that it is unlawful to violate any requirement of a permit promulgated under Title V of the Act. EPA first promulgated regulations governing state operating permit programs on July 21, 1992. *See* 57 Fed. Reg. 32295; 40 C.F.R. Part 70.
7. 40 C.F.R. § 64.3 requires, in part, Title V permits to contain monitoring requirements relating to the operation of a control device sufficient to provide reasonable assurance of compliance with applicable emission limitations or standards.
8. 40 C.F.R. § 64.9 requires, in part, Title V permits to contain reporting and recordkeeping requirements relating to excursions or exceedances, corrective actions taken, and actions taken to implement any quality improvement plan during the reporting period to reduce the likelihood of similar levels of excursions or exceedances occurring.
9. EPA approved Minnesota's Title V operating program on an interim basis on June 16, 1995 and fully approved the program on December 1, 2001. *See* 57 Fed. Reg. 31637, and 66 Fed. Ref. 62967. Minnesota's Title V operating permit program regulations are codified at Minnesota Rule 7007 and are federally enforceable pursuant to Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3).

### **FINDINGS OF FACT**

10. Gerdau owns and operates a steel mini-mill at 1678 Red Rock Road, St. Paul, Minnesota.
11. On August 28, 2008, the Minnesota Pollution Control Agency (MPCA) issued Title V Permit No. 12300055-004 (the "Title V Permit") to Gerdau for the operations at its St. Paul facility.
12. Emissions from Gerdau's auto shredding operations are subject to the opacity limitations in the post-1969 industrial process equipment rule in the Minnesota SIP at Minnesota Rule 7011.0715, Subpart 1(B).
13. Emissions from Gerdau's auto shredding operations are required by the Title V Permit to have an opacity of less than or equal to 20%. *See* Minn. R. 7011.0715, Subpart 1(B).
14. The Title V Permit provisions for EU003 Auto Shredding (EU003) require that Gerdau keep the main hammermill spray line pressure greater than or equal to 4 pounds per square inch (psi). *See* Minn. R. 7007.0800.
15. The Title V Permit provisions for EU003 require that Gerdau keep the main hammermill spray line flow rate greater than or equal to 6 gallons per minute (gpm). *See* Minn. R. 7007.0800.
16. The Title V Permit provisions for EU003 require that Gerdau keep the venturi water pressure greater than or equal to 20 psi. *See* Minn. R. 7007.0800.

17. The Title V Permit provisions for EU003 require that Gerdau keep the venturi flow rate greater than or equal to 270 gpm. *See* Minn. R. 7007.0800.
18. The Title V Permit provisions for EU003 require that Gerdau keep the demister water pressure greater than or equal to 20 psi. *See* Minn. R. 7007.0800.
19. The Title V Permit provisions for EU003 require that Gerdau keep the demister flow rate greater than or equal to 205 gpm. *See* Minn. R. 7007.0800.
20. The Title V Permit provisions for EU003 require that Gerdau keep records of the number of hours the shredder was operating each day. *See* Minn. R. 7007.0800.
21. On October 13, 2016, EPA issued an information request to Gerdau pursuant to Section 114(a) of the CAA, 42 U.S.C. § 7414(a) (the 114 Request).
22. On November 4, 2016, Gerdau conducted Method 9 readings from the shredder scrubber system stack, from 8:37 am to 9:38 am local time, according to the 40 C.F.R. Part 60, Appendix A, Reference Method 9 - Visual determination of the opacity of emissions from stationary sources (Method 9). The analysis of the Method 9 readings showed that during this time there were two 6-minute average exceedances of the 20% opacity limit at the stack, with the highest 6-minute average opacity reading of 22%.
23. On December 12 and 21, 2016, Gerdau submitted information to EPA, responding, in part, to the 114 Request (December 2016 Response).
24. In the December 2016 Response, Gerdau provided EPA with EU003 historical daily operating records for the period January 1, 2014 through September 30, 2016 for the following parameters:
  - a. Hours of operation measured in hours per day;
  - b. Main hammermill spray line pressure measured in pounds per square inch;
  - c. Main hammermill spray line flow measured in gallons per minute;
  - d. Venturi water pressure measured in pounds per square inch;
  - e. Venturi flow rate measured in gallons per minute;
  - f. Demister water pressure measured in pounds per square inch; and
  - g. Demister flow rate measured in gallons per minute.
25. Gerdau submitted a deviation report dated January 30, 2017, and covering the reporting period of July 1, 2016 through December 31, 2016, to the MPCA.
26. Gerdau submitted a deviation report dated April 28, 2017, and covering the reporting period of January 1, 2017 through March 31, 2017, to the MPCA.
27. On July 28, 2017, Gerdau provided to EPA a revised Excel spreadsheet of historical daily operating records for the period January 1, 2014 through September 30, 2016, previously provided in the December 2016 Response.

### **VIOLATIONS**

28. On November 4, 2016, Gerdau violated the Minnesota SIP at Minnesota Rule 7011.0715 and its Title V Permit by failing to limit emissions from EU003 to less than 20% opacity.
29. On its quarterly deviation report submitted to the MPCA for the period of July 1, 2016 through March 31, 2017, Gerdau reported the following violations of 40 C.F.R. § 64.3, Minnesota Rule 7007.0800, Subparts 2 and 14, and its Title V Permit for EU003.

<b>Parameter</b>	<b>Reading Reported</b>	<b>Permit Limit</b>	<b>Date of Violation</b>	<b>Total Days of Violations</b>
Demister spray line flow rate	< 205 gal/min	≥ 205 gal/min	10/14/16 1/5/17	2
Venturi spray line flow rate	< 270 gal/min	≥ 270 gal/min	10/26/16 1/9/17	2
Venturi spray line water pressure	< 20 lb/in <sup>2</sup>	≥ 20 lb/in <sup>2</sup>	2/21/17	1

30. On its quarterly deviation report submitted to the MPCA for the period of July 1, 2016 through March 31, 2017, Gerdau reported the following violations of 40 C.F.R. § 64.3, Minnesota Rule 7007.0800, Subparts 2 and 14, and its Title V Permit for EU003.

<b>Parameter</b>	<b>Dates of Missed Record</b>	<b>Total Days of Violations</b>
Main hammermill spray line flow rate	7/31/16	1
Main hammermill spray line pressure	7/31/16	1
Venturi spray line flow rate	7/31/16, 10/24/16	2
Venturi spray line pressure	7/31/16, 10/24/16	2
Demister spray line pressure	7/31/16	1
Demister spray line flow rate	7/31/16	1

31. In the December 2016 Response and the July 28, 2017 follow-up data submitted to EPA, Gerdau reported the following violations of 40 C.F.R. § 64.3, Minnesota Rule 7007.0800, Subparts 2 and 14, and its Title V Permit for EU003, for the period of January 1, 2014 through September 30, 2016.

Parameter	Reading Recorded	Permit Limit	Date of Violation	Total Days of Violations
Venturi spray line flow rate (gal/min)	265	$\geq 270$	5/23/14	5
	265		6/6/14	
	260		7/1/15	
	209		7/3/15	
	226		1/13/16	

32. In the December 2016 Response and the July 28, 2017 follow-up data submitted to EPA, Gerdau reported the following violations of 40 C.F.R. §§ 50-52, Minnesota Rule 7007.0100, Subpart 8a, and its Title V Permit for EU003, for the period of January 1, 2014 through September 30, 2016.

Parameter	Dates of Missed Record	Total Days of Violations
Main hammermill spray line flow rate	1/9/14, 1/23/14, 1/27/14, 2/3/14, 2/6/14, 2/7/14, 2/14/14, 2/21/14, 3/24/14, 3/11/16, 7/27/16	11
Main hammermill spray line pressure	1/9/14, 1/23/14, 1/27/14, 2/3/14, 2/6/14, 2/7/14, 2/14/14, 2/21/14, 3/24/14, 3/11/16, 7/27/16	11
Venturi spray line flow rate	1/9/14, 1/23/14, 1/27/14, 2/3/14, 2/6/14, 2/7/14, 2/14/14, 2/21/14, 3/24/14, 7/27/16	10
Venturi spray line pressure	1/9/14, 1/23/14, 1/27/14, 2/3/14, 2/6/14, 2/7/14, 2/14/14, 2/21/14, 3/24/14, 7/27/16	10
Demister spray line pressure	1/9/14, 1/23/14, 1/27/14, 2/3/14, 2/6/14, 2/7/14, 2/14/14, 2/21/14, 3/24/14, 7/27/16	10
Demister spray line flow rate	1/9/14, 1/23/14, 1/27/14, 2/3/14, 2/6/14, 2/7/14, 2/14/14, 2/21/14, 3/24/14, 7/27/16	10

33. In the December 2016 Response submitted to EPA, Gerdau reported the following violations of 40 C.F.R. §§ 50-52, Minnesota Rule 7007.0100, Subpart 8a, and its Title V Permit for EU003, for the period of January 1, 2014 through September 30, 2016.

Parameter	Dates of Missed Record	Total Days of Violations
Shredder's daily hours of operation	3/13/14, 3/21/14, 3/26/14, 4/29/14, 5/30/14, 11/23/15, 4/15/16, 4/24/16	8

34. On several instances from January 2014 through September 2016, as indicated in paragraphs 29-31 above, Gerdau violated the Minnesota SIP at 40 C.F.R. §§ 50-52, and its Title V Permit by failing to operate the control equipment in such a manner as to achieve and maintain compliance with the particulate matter of 10 microns in diameter or smaller emission limit at EU003.

#### **ENVIRONMENTAL IMPACT OF VIOLATIONS**

35. These violations have caused or can cause excess emissions of particulate matter. Particulate matter, especially fine particulates contains microscopic solids or liquid droplets, which can get deep into the lungs and cause serious health problems. Particulate matter exposure contributes to:
- irritation of the airways, coughing, and difficulty breathing;
  - decreased lung function;
  - aggravated asthma;
  - chronic bronchitis;
  - irregular heartbeat;
  - nonfatal heart attacks; and
  - premature death in people with heart or lung disease.

Date

8/31/17

Edward Nam  
Director

Air and Radiation Division

**CERTIFICATE OF MAILING**

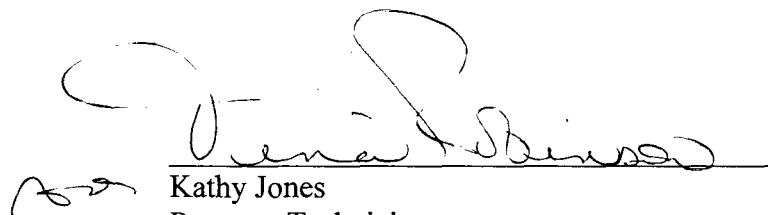
I certify that I sent a Notice of Violation and Finding of Violation No. EPA-5-17-MN-06,  
by Certified Mail, Return Receipt Requested, to:

John Skelley  
Gerdau Ameristeel U.S. Inc.  
1678 Red Rock Road  
St. Paul, MN 55119

I also certify that I sent copies of the Notice of Violation and Finding of Violation by  
first-class mail to:

Sarah Kilgriff, Manager  
Minnesota Environmental Protection Agency  
520 Lafayette Road N  
St. Paul, MN 55155

On the 5<sup>th</sup> day of September 2017.

  
Kathy Jones  
Program Technician  
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 70161370000157199599